

## Court Tightens Rules on Overseas Abuse Cases

By NATHAN KOPPEL

Plaintiffs will have a harder time suing oil companies and other multinational groups over human-rights abuses overseas following a federal court ruling on Friday.

The Alien Tort Statute, a 1789 federal law that allows suits for violations of 'the law of nations,' has been used in recent years to target a number of U.S. companies, including **Chevron Corp.**, for alleged crimes committed overseas.

Alien tort suits have particularly targeted companies that partner with foreign governments in oil exploration.

The Second U.S. Circuit Court of Appeals yesterday dismissed a suit brought by Nigerian residents, who alleged that three subsidiaries of **Royal Dutch Shell PLC** were complicit in crimes against humanity in Nigeria.

Alien tort claims, the court ruled, can be brought only against individuals, not corporations.

"No corporation has ever been subject to any form of lia-

bility under the customary international law of human rights, and thus the [Alien Tort Statute] . . . does not confer jurisdiction over suits against corporations," Second Circuit Judge José Cabranes wrote on behalf of the court.

"This opinion threatens to effectively stop Alien Tort Statute litigation in its tracks," said Donald Childress III, an associate professor at Pepperdine University School of Law who specializes in international law.

Foreign governments are largely immune from suits related to their official actions, he said. So plaintiffs have instead targeted companies that do business with foreign governments. "The companies have the deep pockets," he said.

Now that it is harder to sue companies, victims will have to pursue chief executives or other high level officials, said Maria LaHood, an attorney with the Center for Constitutional Rights, a nonprofit legal organization that has brought alien tort suits.

Carey D'Avino, a lawyer for

the plaintiffs, said his clients will ask the court to reconsider its ruling. "We do not believe that today's decision is the last word on the subject," he said.

Suits that complain of conduct overseas should be filed in foreign courts, said Thomas Niles, the Vice Chairman of the United States Council for International Business. "Plaintiffs come to the United States [to file cases,] because if you win a case you hit the lottery," he said.

In a separate opinion in the case, Second Circuit Judge Pierre Leval criticized the majority ruling.

"So long as they incorporate," he wrote, "businesses will now be free to trade in or exploit slaves, employ mercenary armies to do dirty work for despots, perform genocides or operate torture prisons for a despot's political opponents, or engage in piracy—all without civil liability to victims."

—Ashby Jones  
 contributed to this article.

